



## THE BUDGET SOLUTION: 2009-2010

### REDUCING FRAUD WITHIN THE IN-HOME SUPPORTIVE SERVICES PROGRAM

#### REDUCING COSTS THROUGH GREATER OVERSIGHT OF FRAUDULENT ACTIVITIES IN IHSS

**“We’re...very happy that in this budget we make government more efficient and...are cutting the waste, fraud and abuse in some of the programs.”** (Gov. Schwarzenegger, 7/20/09)

*Nearly half a million Californians rely on the state’s \$4 billion In-Home Supportive Services (IHSS) program. Unfortunately, county grand juries and district attorneys have found fraud and a lack of oversight within IHSS – estimating that there are hundreds of millions dollars each year that are inappropriately or fraudulently expended. Even the state Senate Office of Oversight and Outcomes agreed that there are significant problems validating the delivery of these services. The Governor insisted that we cannot cut funding to children’s health care programs, schools, or law enforcement without also cutting out this kind of fraud and abuse.*

#### **Governor’s Reforms:**

**The Governor put together an anti-fraud proposal and fought to include it within this budget solution.**

This long-term cost-containment proposal includes:

- Background checks and fingerprinting for all IHSS providers
- Fingerprinting for IHSS recipients
- Targeted mailings to high-risk or suspect providers
- Enhanced anti-fraud training for county social workers
- Time sheet improvement: requiring that timesheets be signed by both recipient and provider and enhancing timesheet reviews
- Prohibiting the use of P.O. Boxes to receive provider checks
- Unannounced home visits
- Allowing counties to use IHSS administrative funds for investigations
- Increasing the number of state fraud investigators for both the Department of Health Care Services and the Department of Social Services.
- Requiring providers to supply copies of identity documents and appear in person
- Specifying particular crimes for which a provider can be excluded from the program.

#### **Background:**

**According to several Grand Juries, district attorneys and others, rooting out even a small percentage of IHSS fraud will save hundreds of millions of taxpayer dollars annually.** The counties of Sacramento, Los Angeles, San Diego, Ventura, Contra Costa and San Luis Obispo have all launched grand jury investigations into IHSS abuse that demonstrated fraud within the program. Abuses include:

- IHSS recipients acting as their own “providers” and keeping the funds
- Providers claiming to “work” and receiving funds while the recipient is in a hospital or care home
- Incarcerated providers, who are unable to provide services, still collecting payment – either because they are submitting time cards or the recipient is submitting time cards on their behalf
- Recipients and providers conspiring to increase hours (which were not worked) and splitting the pay
- Providers changing time cards without the recipient knowing in order to receive extra pay
- Providers claiming hours worked when the recipient is deceased
- The use of fictitious Social Security numbers to create more than one IHSS case for payment

Specific examples of fraud and abuse include:

- A son in Compton who forged his mother’s signature and billed IHSS for providing 385 hours of homecare costing \$3,394. This occurred while his mother was hospitalized and for nearly a month after her death.

- A twenty-year-old drug abuser who was the sole caretaker for his seriously disabled father and provided such poor care that the father frequently had bedsores and was not regularly bathed. The care was so bad that adult protective services had to be called in. Ultimately, the father died before he reached the age of 60.
- An individual from Downey who submitted false claims totaling \$13,243 by forging the signature of his deceased father, who was supposedly his in-home health care worker.
- In San Diego, a recipient with schizophrenia was approved for 52 hours of care per month. His caregiver charged the full amount, but only worked two hours per week.

**Savings:**

The Governor's fraud proposal, which, when combined with IHSS reform efforts, will lead to a savings of:

- \$526 million in 2009-10 (\$221 million of this is General Fund)
- A total of \$2.27 billion through 2012-13 (\$970 million of this is General Fund)